

for Release
A.M. Mon.

(Being mailed to shareholders this weekend)

(8th)

AR12

Jan
or
Jim Scott
(Rick Low)

NEW QUEBEC RAGLAN
MINES LIMITED

INTERIM REPORT

SIX MONTHS ENDED JUNE 30, 1969

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NEW QUEBEC RAGLAN MINES LIMITED

and its wholly-owned subsidiary company
RAGLAN QUEBEC MINES LIMITED

INTERIM REPORT AS AT JUNE 30, 1969

To the Shareholders:

The increase in working capital as reflected in the Consolidated Statement of Source and Application of Funds was chiefly due to the sale of 25,690 shares of Asbestos Corporation Limited for \$770,699. Dividend and interest income of \$68,066 less property rentals and administrative charges totalling \$33,712, for a net income of \$34,354, resulted in the increase in working capital of \$805,053 as reported. Your Company continues to hold 41,914 shares of Asbestos Corporation Limited.

Exploration and development expenditures on the Company's property, being carried out by Falconbridge Nickel Mines Limited under agreement with that company, amounted to \$384,675.

Satisfactory progress has been made on the two-year underground and surface exploration program approved by your Directors in February, 1969. Supplies have been taken in to the site, crews assembled, and a shaft sinking plant has been erected. Equipment will be installed ready for sinking early in September.

Diamond drilling has proceeded since mid-May on the Katiniq ore zone, indicating a series of irregular pods and lenses. Significant intersections to June 30 are as follows:

<u>Hole No.</u>	<u>Length</u>	<u>% Nickel</u>	<u>% Copper</u>
K-114	133.0'	3.13	1.36
K-118	28.5'	1.68	0.46
K-124	11.5'	1.63	0.30
K-126	38.0'	2.89	1.19
K-130	11.0'	1.75	0.64

Significant intersections since June 30 are as follows:

K-134	41.5'	4.02	1.70
K-138	111.0'	4.81	1.22
K-140	27.0'	4.28	1.32
	36.5'	2.48	0.42
K-141	24.7'	1.56	0.62
K-146	86.5'	3.40	1.00

The airstrip at the Raglan property has been extended to accommodate larger aircraft.

Engineering studies are continuing on port facilities, transportation and metallurgy.

J. R. SMITH,
President

Toronto, Ontario
August 28, 1969.

NEW QUEBEC RAGLAN MINES LIMITED

and its wholly-owned subsidiary company

RAGLAN QUEBEC MINES LIMITED

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

	Six months ended June 30	
	<u>1969</u>	<u>1968</u>
FUNDS PROVIDED:		
Dividends and interest	\$ 68,066	\$ 64,782
Funds provided by Falconbridge Nickel Mines Limited for expenditures which were made by Falconbridge on exploration and development work carried out on the company's property to be satisfied by issuance of preference shares of the subsidiary company to Falconbridge	384,675	220,488
Proceeds from sale of 25,690 shares of Asbestos Corporation Limited	770,699	—
	<u>\$1,223,440</u>	<u>\$ 285,270</u>
FUNDS APPLIED:		
Exploration, development and administrative expenditures deferred	\$ 418,387	\$ 252,868
	<u>\$ 418,387</u>	<u>\$ 252,868</u>
Increase (Decrease) in working capital	\$ 805,053	\$ 32,402
Working capital at beginning of year	1,250,905	1,170,179
Working capital at end of period	<u>\$2,055,958</u>	<u>\$1,202,581</u>

CONSOLIDATED STATEMENT OF EXPLORATION, DEVELOPMENT AND ADMINISTRATIVE EXPENDITURES DEFERRED

	Six months ended June 30	
	<u>1969</u>	
Exploration and development (including \$384,675 for which 384,675 preference shares are to be issued)	\$ 397,266	
Administrative	21,121	
	<u>418,387</u>	
Deduct interest and dividends	68,066	
	<u>\$ 350,321</u>	

(The above figures are subject to audit)

NEW QUEBEC RAGLAN MINES LIMITED
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